

**U.S. GOVERNMENT PRINTING OFFICE
OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT TO THE CONGRESS
APRIL 28, 2000**

**REPORTING PERIOD
OCTOBER 1, 1999 – MARCH 31, 2000**

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Table of Contents

HIGHLIGHTS OF THE SEMIANNUAL REPORT	1
INTRODUCTION	
A. The Government Printing Office.....	3
B. The Office of Inspector General	4
OFFICE OF INVESTIGATIONS	
A. Summary of Investigations.....	6
B. Investigative Accomplishments.....	6
C. Types of Cases	7
D. Status of Action on Referrals	8
E. Investigative Case Dispositions	9
F. Investigative Statistics	12
OFFICE OF AUDITS	
A. Summary of Audit Activity	13
B. Audit Accomplishments.....	15
C. Internal Control Review.....	19
D. Work-In-Process	21
E. Advice and Assistance.....	23
F. Outstanding Audit Recommendations.....	25
OTHER INSPECTOR GENERAL ACTIVITIES	
A. Comments on GPO Instructions and Assistance to Management.....	27
B. Legislation and Congressional Requests.....	28
TABLES	
A. Statistical Table - Questioned Costs	31
B. Statistical Table - Funds Put to Better Use.....	32
C. List of Audit Reports	33
D. Index of Reporting Requirements	34

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HIGHLIGHTS OF THE SEMIANNUAL REPORT

The audit, investigative, and other activities of the Office of Inspector General (OIG) during this reporting period resulted in the following accomplishments.

- OIG investigations conducted during the current and prior reporting periods resulted in approximately \$300,000 in restitution, recoveries and fines. One subject was convicted in U.S. Superior Court of threatening another GPO employee.
- The OIG is working with the Department of Justice in two separate matters involving prior Office of Investigations (OI) investigations into alleged brokering of contracts, and the submission of false claims/statements by GPO contractors. In one matter, a settlement offer in the amount of \$300,000 was finalized. In the second matter, civil action by the U.S. Attorney's Office (USAO) is pending an additional request for information by the USAO.
- With increased attention on GPO's Workers Compensation Program (WCP), the OI is working closely with Special Agents of the Department of Labor in actively pursuing violations of the program. The OI currently has 5 open investigations involving allegations of WCP fraud. One of these cases has been referred for administrative action and one case has been accepted for prosecution by the USAO.
- The OIG Office of Audits (OA) issued audit reports with recommendations that over \$4 million in funds be put to better use. The audit reports pertained to: improving the controls over inventories in the Graphics Supplies Section; improving the controls over processing Equal Employment Opportunity contract investigations; and, an audit conducted to follow-up on a 1996 audit of GPO's warehouse space.
- The OIG Office of Audits (OA) also issued audit reports pertaining to: improving and strengthening the internal controls for using space effectively, reducing utilities and material handling, and increasing labor capability; strengthening the internal controls over property within GPO; maintaining documentation on the receipt of finished inks, raw materials, and adhesives within GPO; and the receipt of incoming mail and cash handling procedures in the SuDocs Order Division.
- The Office of Audits began or continued work on ten other audits. Final draft reports have been distributed to management for audits on improving internal control reviews in the Electronic Systems Development Division and on improving the recording of depreciation on current and future accountable property. Draft reports are being prepared for an audit of GPO's garage operations; an audit of on-line purchase requests of non-stock items and services through materials management procurement and controls system; and an audit on improving future internal control reviews prepared by the Paper and Specialized Procurement and Sales Division.

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INTRODUCTION

A. THE GOVERNMENT PRINTING OFFICE

For more than a century, GPO's mission under the public printing and documents statutes of Title 44, U.S. Code, has been to fulfill the needs of the Federal Government for information products and to distribute those products to the public.

Formerly, GPO's mission was accomplished through the production and procurement of traditional printing technologies. However, a generation ago GPO began migrating its processes to electronic technologies, and in 1993 Congress amended Title 44 with the GPO Electronic Information Access Enhancement Act (P.L. 103-40), which requires GPO to disseminate Government information products online. This Act is the basis of GPO Access, the GPO Internet information service.

Today, GPO is dedicated to producing, procuring and disseminating Government information products in a wide range of formats - print, CD-ROM, and online. In GPO the Government has a unique asset that combines a comprehensive range of conventional production and electronic processing, procurement facilitation, and multi-format dissemination capabilities to support life cycle needs of Congress, Federal agencies, and the public:

- X GPO provides print and electronic information products and services to Congress and Federal agencies through in-plant processes and the purchase of information products from the private sector. For Congress, GPO maintains a capability to fully support the information products needs of the legislative process, working in close cooperation with leadership offices, committees, Members, and staffs in each Chamber.
- X GPO disseminates Government information to the public in print and electronic formats through a low-priced sales program and a reimbursable program, and to Federal depository libraries nationwide where the information may be used by the public free of charge. GPO catalogs and indexes Government information products so they can be identified and retrieved by users.
- X GPO also disseminates a massive volume of information online via the Internet with GPO Access. Recent data show that more than 21 million documents are retrieved by the public every month using this system. GPO strongly supports the increased dissemination of Government information in electronic formats, and GPO Access today is one of the leading Federal sites on the Internet. The GPO home page, at www.access.gpo.gov, provides free public access to more than 70 Federal databases from all three branches of the Government, a growing number of agency Government Information Locator Service (GILS) sites, and associated locator and Pathway aids.

GPO provides all of its services in a non-partisan, service-oriented environment that emphasizes the primacy of the customer's requirements for timeliness, quality, security, and economy. GPO is committed to achieving the greatest access and equity in information dissemination through printed publications, CD-ROM, and online information technologies. GPO's electronic and traditional technologies simultaneously enable it to facilitate the re-engineering of information products to satisfy the Government's changing information requirements, and to preserve and protect public access to Government information for all citizens.

GPO programs reduce the need for duplicative production facilities throughout the Government, achieve significant taxpayer saving through a centralized production and procurement system, and enhance public access to Government information, which is increasingly valuable to all Americans in the Information Age.

GPO currently has a workforce of approximately 3,220 skilled individuals in printing, procurement, electronic information technologies, documents dissemination, administrative, and related specialties. Most of the GPO workforce is located in Washington, DC. GPO also has 24 GPO bookstores nationwide, 14 Regional Printing Procurement Offices (RPPO's) and 6 satellite printing procurement offices. Each satellite office reports to a specific RPPO. The Regional Printing and Procurement Division, Central Office coordinates, reviews, and evaluates RPPO's. The regional offices generated about \$207 million in revenue during Fiscal Year 1999.

THE OFFICE OF INSPECTOR GENERAL

The Office of Inspector General was created by the Government Printing Office Inspector General Act of 1988, which was Title II of Public Law 100-504 (October 18, 1988). Title I of that Public Law is known as the Inspector General Act Amendments of 1988, and created offices of Inspectors General in designated Federal entities. Because GPO is a legislative branch agency, the GPO OIG was established separately. However, the GPO Inspector General shares the same duties, responsibilities, and authority as the Inspectors General in the designated Federal entities, except that there is no statutory prohibition against assigning program operating responsibilities to the GPO Office of Inspector General. Another exception is that Public Law 104-316, the General Accounting Office Act of 1996, provides that the GPO Inspector General conducts audits under the direction of the Joint Committee on Printing, and conducts annual audits of the GPO financial statement when requested by the Joint Committee on Printing.

The mission of the OIG is to prevent and detect fraud, waste, and abuse as well as to promote economy, efficiency, and effectiveness in GPO's programs and operations. To meet these responsibilities, the OIG conducts audits and investigations through its Office of Audits (OA) and Office of Investigations (OI). The Inspector General has been a member of and active in the President's Executive Council on Integrity and Efficiency (ECIE) since the Council was established in 1992 by Executive Order 12805.

As of March 31, 2000, the OIG consisted of 27 budgeted positions, with 25 employees on-board: 12 auditors, 7 investigators, 3 secretaries, the Inspector General, and 2 information systems support personnel. The OIG budget for FY 2000 was \$3,198,555.

Office of Investigations

The Office of Investigations conducts and coordinates investigations relating to employee misconduct and monetary or material losses occurring in U.S. Government Printing Office programs and operations. These investigations may include contractors, program participants, and/or GPO officials and other employees. Special Agents in the Office of Investigations are also designated as special policemen pursuant to 44 U.S.C. § 317, and have full law enforcement authority on premises occupied or under the control of GPO and adjacent areas.

The OI's independent, or joint investigations with Federal or non-Federal investigative agencies, may result in criminal prosecution, civil proceedings and/or imposition of administrative sanctions. Prosecutions may result in court-imposed prison terms, probation, fines, and/or restitution.

The OI continues an aggressive effort to detect, prevent, and investigate the loss of Government assets. The OI reviews Federal and GPO programs susceptible to fraud waste and abuse in coordination with the Office of Audits. In addition, the OI seeks to recover monetary funds and investigative costs payable directly to the GPO as part of criminal and civil adjudication, or through administratively negotiated settlements.

During the reporting period, the OI's investigative resources were deployed in response to complaints, referrals, and hotline matters involving illegal drugs, fraud, waste, abuse and/or mismanagement. The OI also continued to conduct investigations initiated during previous reporting periods.

Office of Audits

The Office of Audits, as required by the Government Printing Office Inspector General Act of 1988:

1. Conducts independent and objective audits relating to GPO;
2. Provides leadership and coordination, and recommend policies to promote the economy, efficiency, and effectiveness of GPO's programs, operations, and activities; and
3. Keeps the Public Printer and Congress fully and currently informed about problems and deficiencies relating to the administration and operations of the GPO.

Office of Investigations

A. Summary of Investigations

The following table summarizes the OI's investigative case workload during this reporting period.

**Summary of Investigative Case Workload
as of March 31, 2000**

Workload Analysis	Number of Cases
Beginning Case Workload - 10/01/99	36
Add: New Cases Opened	25
Less: Cases Closed	30
Ending Case Workload – 03/31/00	31

The OI opened 25 investigative cases during this reporting period in response to new complaints or allegations. The 30 cases closed during the reporting period consisted of 21 cases from prior periods and 9 cases from the current reporting period. The 31 open investigative cases include 15 cases from the current period and 16 cases from prior reporting periods.

Seventeen administrative subpoenas were issued for documents in 10 cases. There was no instance of noncompliance with a subpoena. During this reporting period, the GPO OIG Hotline program for Drug, Fraud, Waste, and Abuse received 2 calls for information.

B. Investigative Accomplishments

The OI continues to see an increase of false statement allegations involving the Office of Workers' Compensation Program (OWCP). New steps continue to be taken to better address the overall handling of the GPO's OWCP and subsequent investigations into alleged violations. This initiative results from prior meetings with representatives of the Department of Labor, Federal Employees Compensation Act (FECA) Program, and GPO's OWCP, to determine the most effective manner for conducting future investigations into alleged violations of the FECA program. The OI anticipates cost savings in future reporting periods.

C. Types of Cases

The OI's investigative workload has been categorized into five major areas that are based on the types of investigative cases, as follows:

1. Workers' Compensation Program (WCP)

The OI investigates GPO employees who have allegedly submitted false claims and made false statements to facilitate receipt of workers' compensation benefits. The OI currently has 5 open investigations involving alleged WCP fraud. One current case was referred for administrative action

Two prior and one current reporting period WCP investigations were closed during this reporting period due to either resolution or insufficient evidence of wrongdoing.

2. Procurement Fraud

The OI investigates allegations of statutory violations involving GPO contractor service providers defrauding the Government in connection with GPO's procurement of printing, goods, and services. These violations include, but are not limited to, false claims, false statements, wire and mail fraud, product substitution, and Small Disadvantaged Business Program violations.

The OI currently has three open procurement fraud cases from the current reporting period. Two fraud cases had been referred to U.S. Attorneys for prosecution during previous reporting period. Prosecutive action on all matters is pending.

One prior and two current investigation involving GPO contractors have been referred to the Office of General Counsel (OGC) for administrative action by the GPO debarring official. These cases are pending final disposition.

The OI closed eight contract fraud investigations from prior reporting periods, and two investigations from the current reporting period, for a total of 10 closed investigations.

3. Employee Misconduct

The OI investigates allegations involving GPO employee misconduct. These allegations include, but are not limited to, time and attendance fraud, theft, assaults, drug violations, gambling, kickbacks, and travel voucher fraud.

The OI currently has a total of nine active misconduct investigations. Four are from prior reporting periods and five are from the current reporting period.

Five misconduct investigations have been referred for administrative action. All five were from prior reporting periods.

During the reporting period, a total of 9 employee misconduct investigations were closed. Of that number six were from prior reporting periods and 3 from the current reporting period.

4. Title 44, United States Code (U.S.C.) Violations

The OI investigates allegations involving reported violations of Title 44 U.S.C. (*Public Printing and Documents*). These include federal agencies allegedly circumventing GPO by procuring printing services in violation of the law. The OI also investigates allegations of violations of Title 31 U.S.C. (*Money and Finance*) which may arise from violations of Title 44. Title 31 violations occur as a result of federal employees expending their agency's congressionally-appropriated funds for printing services provided by contractors other than the GPO. The OI currently has no open Title 44 investigations.

5. Miscellaneous Investigations

The OI also investigates matters of a miscellaneous nature. These matters include, but are not limited to, alleged violations of GPO rules, regulations, or policies. In addition, the OI conducts Local Agency Checks for the GPO's Personnel Security Specialist. Two current reporting period cases remain open.

The OI received three requests for Local Agency Checks from the agency Personnel Security Specialist (PSS) during the current reporting period. The results of all cases were referred back to the PSS for any necessary administrative action. In addition, one prior LAC was referred back to the PSS.

The OI closed a total of eight miscellaneous cases: five from a prior reporting period and three from the current reporting period.

D. Status of Action on Referrals

The OI's investigative efforts result in both external and internal referrals for action. A summary of outstanding referrals by the OI follows:

1. External

- U.S. Attorney's Office (USAO)/ State Attorney's Office (SAO):

The OI presented a total of 11 investigations to USAO's and/or SAO's for criminal prosecution during this reporting period. Prosecution was declined in 10 of the 11 cases.

Three OI investigations were presented for civil prosecution during the current reporting period. One was declined for civil prosecution.

A total of three investigations presented to USAO's are pending final action by those offices. Two are contract fraud cases, and one is related to allegations of threats and assault.

In a case brought in the Southern District of Ohio, a printing company agreed to a settlement under the False Claims Act by which GPO will receive a \$300,000 recovery. The company settled potential charges that it presented false and fraudulent claims to the United States for payment in connection with illegally subcontracting the predominant production function of at least 607 GPO contracts.

In a case pending in the Southern District of Maryland, a printing company is facing civil penalties under the False Claims Act for presenting false or fraudulent claims to the United States for payment in connection with illegally subcontracting the predominant production function of at least 100 GPO contracts.

- Other Agencies:

Five investigations were referred to other law enforcement offices. These matters will be monitored by the OI and any assistance necessary will be provided to those agencies.

2. Internal

- Office of General Counsel:

The OI has referred three contractor fraud cases to the OGC for administrative action by the GPO debarring official.

- Labor and Employee Relations Service:

Six matters have been referred to the GPO Labor and Employee Relations Service. Allegations referred included reported employee misconduct and OWCP fraud. One referral occurred during the current reporting period and five occurred during prior reporting periods. The OI is awaiting the final disposition of these referrals.

E. Investigative Case Dispositions

The following are representative matters handled by the OI during this reporting period.

1. Pending Matters

- A current reporting period investigation regarding allegations of Office of Workers' Compensation Fraud, was accepted by the USAO, Washington, DC, for prosecution. This matter is pending.

- A prior reporting period investigation of a GPO employee for Threats to do Bodily Harm resulted in the employee being convicted in U.S. Superior Court, Washington, DC. The employee was terminated from GPO employment. The employee was sentenced on April 7, 2000, to 60 days imprisonment, suspended, and one year of probation.
- An investigation into the alleged use of force by a GPO police officer was closed during a prior reporting period. However, as part of the investigation, a separate GPO employee was charged with the suspected possession and use of a controlled substance. Adverse administrative action (removal) is pending against this employee.
- A current reporting period investigation into the alleged submission of false statements for employment resulted in a separate investigation being opened against the employee for providing false information to the State of Virginia and also allegedly perjuring himself in a Fairfax County, VA District Court. This later information was forwarded to the appropriate Virginia authorities. The results of these matters will be reported in future reports.
- During the prior reporting period, the OI conducted two separate investigations of the same GPO employee regarding allegations of the submission of false information on a job application, and providing sensitive/confidential information to two other employees without proper authority. These matters are pending action by the GPO's Labor Relations Division.
- A current reporting period investigation of a GPO Region 4 contractor regarding the alleged submission of false claims/statements to the GPO has resulted in debarment proceedings being initiated against two companies and their corporate officials. In addition, civil action by the USAO, Atlanta, GA has been initiated. This matter alleges that the companies were unjustly awarded 244 GPO printing contracts worth approximately \$380,000.
- A prior reporting period investigation into the alleged submission of false claims/statements by a GPO Region 9 contractor resulted in debarment proceedings being initiated against the company and its owner. This matter was declined for prosecution by the USAO criminal and civil divisions, Los Angeles, CA.
- Debarment proceedings have been initiated against a GPO Region 5 contractor and his company for the alleged submission of false claims/statements. USAO, Chicago, IL had declined criminal and civil prosecution.
- Two separate investigations regarding alleged time and attendance fraud by two employees were referred to the Labor Relations Division for action.

- A current reporting period investigation into the alleged submission of false claims/statements by a GPO Region 3 contractor was accepted for civil prosecution by the USAO, Eastern District of Virginia. The criminal division USAO had declined this matter. Results of this matter will be reported in future reports.

2. Closed Matters

- A prior reporting period investigation into the alleged unauthorized entry and manipulation of government computer files (hacking) and referred to the Australian Federal Police (AFP) for investigation was closed. The AFP is retaining the information, in the event new information is developed to identify and prosecute a suspect.
- Two prior investigations into the alleged brokering of contracts and submission of false claims/statements by a GPO Region 5 contractor resulted in a settlement being reached and a \$300,000 recovery for GPO. This matter was closed. The contractor remains suspended from doing business with the Government.
- A prior reporting period investigations into the alleged submission of false claims/statements by a GPO Region contractor resulted in the company, owner, and an employee being debarred from doing business with the GPO. This matter was closed.
- During a prior reporting, seven corporate and private entities were charged with common law fraud, negligent representation, breach of contract, unjust enrichment, conversion, and violations of the False Claims Act. A settlement was reached between the parties and the USAO, Baltimore MD, in which \$9,000 would be repaid to the GPO. However, the parties have failed to make payment and the USAO is in the process of demanding the full penalty of \$40,000. Although this matter has been closed, any additional action by the USAO will be reported in future reports.
- A prior reporting period investigations regarding alleged Office of Workers' Compensation Programs fraud resulted in a GPO Region 3 employee retiring in lieu of being terminated from employment. The USAO, District of Columbia had declined prosecution both criminally and civilly.
- A prior reporting period investigation of a GPO Region 9 employee for allegedly providing false information in connection with an application for federal employment resulted in the employee receiving a 30-day suspension.
- Separate investigations from a prior reporting period of different GPO Region 4 contractors regarding the alleged submission of false claims/statements resulted in both companies and their owners being debarred from doing business with the GPO.

Productivity Statistics for the Office of Investigations

A. Investigations Initiated	24
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B. Cases Closed	30
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C. Arrests	0
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D. Cases Presented to U.S. Attorneys/State's Attorney	14
<i>Criminal</i>	11
Criminal Declinations	10
<i>Civil</i>	3
Civil Declinations	1

E. Criminal/Civil Matters:	
Convictions	1
Guilty Pleas	0
Acquittals	0
Jail Time (days)	0
Suspended Time (days)	0
Probation (days)	0
Public Service (hours)	0
Recoveries	\$300,000
Restitutions	\$0
Fines	\$0
Cost Savings	\$0

F. Total Administrative Referrals		3
Contractor	Referrals	2
	Suspensions	0
	Debarments	7
	Contract Terminations	0
	Warned/Other Actions	8
Employee	Referrals	1
	Suspensions	1
	Terminations	1
	Warned/Other Actions	2

G. Other Law Enforcement Agency Referrals	5
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Office of Audits

A. Summary of Audit Activity

During the reporting period ending March 31, 2000, the Office of Audits (OA) conducted the following audits and audit-related activities:

1. Issued a follow-up report on the Audit of GPO's Warehouse Space (Report No. 96-08).
2. Issued an audit report on Strengthening the Controls over GPO's Property Management Program.
3. Issued an audit report on Maintaining Documentation on the Receipt of Finished Inks, Raw Materials, and Adhesives.
4. Issued an audit report on Improving the Controls over Equal Employment Office Contract Investigations.
5. Issued an audit report on Improving the Controls over Inventories in the Graphic Supplies Section.
6. Performed fieldwork and issued a memorandum recognizing that GPO officials had strengthened internal controls over the Receipt of Incoming Mail and Cash Handling Procedures within the Superintendent of Documents Order Division.
7. Chaired a GPO committee that performed fieldwork and issued a report on improving the Superintendent of Documents' Reimbursable Mailings Program.
8. Performed fieldwork and held an exit conference with GPO officials on the draft report of Customer's Requisitions for issuance in the next reporting period.
9. Performed fieldwork and issued a draft report to GPO officials for their comments on the May 1998 Electronic Systems Development Division's Internal Control Review for issuance in the next reporting period.
10. Performed fieldwork and issued a draft report to GPO officials for their comments on the Recording of Depreciation on Accountable Equipment for Cost Code 4700 for issuance in the next reporting period.
11. Reviewed fieldwork and prepared a report on the St. Louis Regional Printing Procurement Office for issuance in the next reporting period.
12. Reviewed fieldwork and prepared a report on the billings and payments for direct-deal Program 3402-S for issuance in the next reporting period.

13. Performed fieldwork and prepared a report on GPO's Garage Operations for issuance in the next reporting period.
14. Performed fieldwork and prepared a report on Improving the Controls over On-line Purchase Requests of Nonstock Items and Services through Materials Management Procurement and Controls System for issuance in the next reporting period.
15. Performed fieldwork and prepared a report on the Management Controls over Postage Billings for issuance in the next reporting period.
16. Performed fieldwork on Paper and Specialized Procurement and Sales Division's Internal Control Reviews for issuance of a report in the next reporting period.
17. Performed fieldwork on GPO's Travel and Reimbursement Program for issuance of a report in the next reporting period.
18. Performed fieldwork in response to a contract audit request from a Contracting Officer within the GPO, Printing Procurement Department, for issuance of a report in the next reporting period.
19. Performed fieldwork in response to a Congressional request on the Delivery of Blank Passports by Federal Express, Inc., for a report to be issued in April 2000.
20. Performed fieldwork in response to a Congressional request on the Demographics of Customers of GPO's Bookstores. The report was issued in March, 2000.
21. Performed fieldwork in response to a Congressional request on the Allocation of Revenue and Expenses for issuance of a report in April, 2000.
22. Completed a Quality and Assurance Review of two OIG audits.
23. Facilitated General Accounting Office efforts to assess the status of year 2000 (Y2K) readiness, following the direction of the Chairman of the Senate Subcommittee on Legislative Branch Appropriations dated October 30, 1997. The OIG provided advisory and monitoring services to assist GPO management in the direction and control of the Y2K compliance efforts within the Agency. The OIG also provided liaison services to assist the General Accounting Office in their audit of the Year 2000 compliance within the Legislative Branch.
24. The OA continues to provide support for annual audits of GPO's financial statements. Under 44 U.S.C. 309, an annual financial statement audit has been required beginning with GPO's FY 1997 financial statement. The audits are being conducted by KPMG LLP under a contract for which the Assistant Inspector

General for Audits is the Contracting Officer's Technical Representative (COTR). In addition to serving as COTR, the OIG is providing administrative support and coordination with GPO management for the KPMG auditors. The audit of GPO's FY1999 Financial Statements was completed during this reporting period.

B. Audit Accomplishments

The OA issued a total of four audit reports to GPO officials during the six-month reporting period ending March 31, 2000. A fifth audit was completed, and the report was issued on April 3, 2000. A sixth audit was completed and a memorandum issued with no recommendations for improving internal controls over the receipt of mail and cash handling procedures. Fieldwork was conducted on nine performance audits, a contract audit, and four reviews for which reports will be issued in the next reporting period. In addition, fieldwork has been initiated on the review of the controls over the Lock Box at the Mellon Bank for a report to be prepared for issuance in the next reporting period.

Financial Audits

No financial audit reports were issued during this reporting period by the OA. The independent auditors' report on GPO's Consolidated Financial Statements for Fiscal Years 1999 and 1998 was issued by KPMG.

A report on improving the recording of depreciation on accountable equipment has been prepared for issuance in the next reporting period.

Performance Audits

The OA issued reports on:

- Improving and strengthening the internal controls within GPO in using space effectively, reducing utilities and material handling, and increasing labor capability.
- Strengthening the internal controls over property within GPO.
- Maintaining documentation on the receipt of inks and raw materials within GPO.
- Improving the controls over processing Equal Employment Opportunity contract investigations.
- Improving the controls for operating, controlling, and administering inventories of inks, raw materials and adhesives, and rollers.
- Strengthening the controls over the receipt of incoming mail and cash handling procedures.

Reports on the following subjects are being prepared for issuance in the next reporting period:

- Processing customer requisitions.
- Improving future internal control reviews in the Electronic Systems Development Division.
- Improving the recording of depreciation on current and future accountable property.
- Improving the internal controls and compliance with printing regulations at the St. Louis Regional Printing Procurement Office.
- Monitoring billings and payments for direct-deal program 3402-S.
- Improving the controls in performing preventive maintenance and repairs to GPO vehicles.
- Improving the controls over on-line purchase requests on nonstock items and service.
- Improving future internal control reviews in the Paper and Specialized Procurement and Sales Division.
- Improving the controls, procedures, and accountability over travel claims and reimbursement.

Contract Audits

No contract audit reports were issued during this reporting period. A report on a contractor's settlement proposal is being prepared for issuance in the next reporting period.

Investigative Support

When requested, the OA provides accounting and auditing assistance to the OIG Special Agents for both civil and criminal investigations. The OA also refers irregularities and other suspicious acts detected during audits to the OI for investigative consideration.

Significant Audit Reports

A synopsis of the significant OIG audit reports issued during this reporting period follows.

- (1) REPORT ON THE FOLLOW-UP OF GPO'S WAREHOUSE SPACE (REPORT NO. 96-08)
(Report Number 00-01)

The OA conducted a follow-up audit of the corrective actions taken on the recommendation with six suggestions reported in the “Audit of GPO’s Warehouse Space,” Audit Report No. 96-08, dated August 23, 1996.

The audit noted that management officials’ actions on all six suggestions contributing to the use of GPO’s office, production, and warehouse space more efficiently and effectively in Central Office’s Buildings I, II, III, and IV were closed.

However, in accordance with GPO Instruction 825.18A *Internal Control Program*, and Arthur Anderson’s January 1996 *Comments and Suggestions for Consideration*, additional actions needed to be taken by management officials to use GPO’s office, production, and warehouse space more efficiently and effectively in Central Office, as well as outside the Washington area.

The report’s recommendations to the Deputy Public Printer should improve and strengthen the internal controls within GPO in using space effectively, reducing utilities and material handling, and increasing labor capability. The implementation of the recommendation to consolidate the Springbelt warehouse with the Laurel complex could potentially allow the GPO to put funds totaling over \$8 million to better use in the next 10 years.

(2) REPORT ON STRENGTHENING THE CONTROLS
OVER GPO’S PROPERTY MANAGEMENT PROGRAM
(Report Number 00-02)

The OA conducted a performance audit on the adequacy, efficiency, and effectiveness of management controls over property within GPO. The audit found that GPO’s Property Management Program did not reflect the current operating procedures, controls, and responsibilities of GPO offices; and the current Instruction was not followed by management officials. For instance, the Comptroller, the designated Property Management Officer, did not maintain a complete records system for both capitalized and non-capitalized property as required by the Instruction. Instead, the Comptroller concentrated on maintaining a records system for capitalized property only. As a result, the property custodians could not always use the records system as a management tool to account for the property assigned to their cost codes.

The report’s seven recommendations to the Comptroller should strengthen the internal controls over administering GPO’s Property Management Program. The report’s remaining three recommendations to the Production Department’s Production Manager, the Superintendent of Documents, the Printing Procurement Department’s Manager, and the Comptroller should strengthen the internal controls over the accounting for property.

The Production Department’s Production Manager, the Superintendent of Documents, and the Printing Procurement Department’s Manager agreed with the three recommendations and have begun identifying the property items that their property custodians could not immediately account for on the March 15, 1999, property listing.

The Comptroller, on the other hand, did not concur with any of the 10 recommendations that were addressed to him. The Comptroller's 109 pages of written comments and exhibits were inconsistent with the comments that the OA received from the other Managers. The OIG concluded that instead of addressing the factual findings of the report, the Comptroller preferred to comment on the audit process to justify his rejection of the 10 recommendations.

The Comptroller also commented that the draft audit report should be withdrawn and the audit closed. It is the OIG's opinion that this was the Comptroller's stated intent since our first exit conference to discuss GPO's Property Management Program with him over a year ago on March 10, 1999. The Inspector General disagrees with the Comptroller's decision not to concur with the recommendations in the audit report, which recommendations addressed the problems with the Property Management Program revealed by the audit.

(3) REPORT ON IMPROVING THE CONTROLS
OVER EEO CONTRACT INVESTIGATIONS
(Report Number 00-04)

The OA conducted a performance audit on the efficiency and effectiveness of the contract investigation process administered by the Counseling and Complaints Processing Division (CCPD) of GOP's Office of Equal Employment Opportunity (EEO). The audit found that the CCPD was not fulfilling its duties in processing contract investigation contrary to EEOC regulations and other applicable guidelines. The Complaints Officer was not: (1) timely in assigning formal complaints to contract investigators; (2) timely in monitoring the completion of investigations; and (3) always verifying the contract investigators' invoices for accuracy before forwarded the invoices to the Comptroller for payment.

The audit recommendations to the Director, EEO, should improve compliance with EEOC regulations and other guidelines, and would provide management with opportunities to strengthen internal controls over processing contract investigations. The implementation of the recommendation to notify the Comptroller on an overpayment to a contract investigator would allow GPO to put funds totaling \$205 to better use.

(4) REPORT ON IMPROVING THE CONTROLS OVER
INVENTORIES IN THE GRAPHIC SUPPLIES SECTION
(Report Number 00-05)

The OA conducted a performance audit to examine the controls in operating, controlling, and administering inventories of inks, raw materials and adhesives, rollers, and property. This was after the OIG received an allegation concerning shortages in inks and raw materials. The allegation was supported by the results of a cyclic inventory performed by Materials Management Service Inventory Team that made 182 adjustments to 59 percent of the 308 inventory items in Materials Management Procurement Control System (MMPCS II), totaling over \$138,000 or 26 percent of Graphic Supplies Section's (GSS) listed inventory value.

The audit found that GSS did not have any specific written instructions to operate, control, and administer the inventories of inks, raw materials and adhesives, and rollers. With no written instructions, GSS personnel did not always record the manufacturing of inks and the issues of inks and raw materials and adhesives to the Production Department in MMPCS II. GSS personnel then falsified issue documents and altered the formula for manufacturing Heatset ink in order to reduce shortages of over 17,000 pounds of inks and raw materials and adhesives worth over \$100,000 in MMPCS II.

The report's recommendations to the Manager, Quality Control and Technical Department, should improve the internal controls in operating, controlling, and administering inventories of inks, raw materials and adhesives, rollers, and property more effectively and efficiently. The implementation of the recommendation to update the 1986 study to determine whether it was still reasonable and cost effective for GPO to make the best possible ink at minimal cost in satisfying the demand of both the Production Department and customer agencies could potentially allow the OIG to put funds totaling over \$1.1 million to better use in the next 5 years by purchasing Heatset Ink from outside contractors.

C. Internal Control Review

Public Law 104-316, the General Accounting Office Act of 1996, requires that the Public Printer prepare an annual financial statement meeting the requirements of 31 USC § 3515(b), and that each financial statement be audited in accordance with applicable generally accepted Government auditing standards.

In response, the Public Printer issued GPO Instruction 825.18A, *Internal Control Program*, in May, 1997, which acknowledged that effective business practice dictates that management is responsible for establishing and maintaining an effective internal control structure. GPO Instruction 825.18A established the framework for an internal control program within GPO, and assigned program responsibilities among the Public Printer, the Deputy Public Printer, the Inspector General, and GPO Department, Service, Staff and Office Heads.

The Instruction assigns to the Inspector General the responsibility for staying abreast on the progress of implementation by management of annual assessments and control reviews, and for consolidating the review results in an annual letter of compliance to the Public Printer.

The Inspector General has issued compliance letters to the Public Printer for Fiscal Years 1998 and 1999. This section of the Semiannual Report will report on the progress by GPO management during the reporting period in implementing the requirements of the internal control program established by GPO Instruction 825.18A.

The first annual review conducted by the Inspector General for FY 1998 indicated that confusion existed among GPO managers on the subject of internal controls. GPO managers appeared to be attempting to run their offices and departments according to sound management principles, and

attempting to comply with the spirit of internal controls. However, some did not understand the requirements of the instruction on the internal control program

The Inspector General review concluded that one of the causes for such confusion was that GPO management never adopted a standardized and structured approach to conducting vulnerability assessments and internal control reviews as required by paragraph 9(c) of the instruction. Without such an approach, managers were left to develop their own methodologies with little background or training in internal controls.

The Inspector General reported the consequences for GPO as described in the KPMG financial statement audit report and management letter for FY 1997. With respect to internal controls over financial reporting, GPO did very well in the report of the KPMG financial audit. GPO managers responsible for financial reporting have financial backgrounds and are familiar with internal control concepts.

However, internal controls in the EDP area were deemed deficient and KPMG provided detailed recommendations for improving those controls. KPMG also noted that GPO is not complying with its own internal control instruction and recommended that GPO review its internal control policy program for relevance and provide formal training in conducting vulnerability assessments and internal control reviews. KPMG also noted that if GPO cannot assert that internal control reviews are performed in accordance with prescribed policies and procedures, it can ultimately affect the financial statement auditors' opinion on GPO's internal controls.

The Inspector General concluded that GPO managers appeared willing and ready to insure that they have good internal controls within their areas of responsibility. However, the great disparity among the internal controls and internal control reviews then in place indicated the need for uniformity and training in this area. Uniformity is anticipated by the GPO Instruction in paragraph 9(c), which requires the adoption of a standardized and structured approach to conducting vulnerability assessments and internal control reviews. Training in internal controls is available.

Therefore, the Inspector General recommended in his FY 1998 compliance letter, dated October 30, 1998, that the Public Printer:

1. Adopt a standardized and structured approach to conducting vulnerability assessments and internal control reviews, as required by GPO Instruction 825.18A paragraph 9(c).
2. Consider providing formal training for Department, Service, Staff, and Office heads for developing and monitoring internal controls.

The Inspector General's annual compliance review for FY 1999 found that neither of the recommendations were acted upon, and as a consequence, the conditions noted in the FY 1998 compliance letter remained in FY 1999. Many GPO managers continued to be confused on the subject of internal controls and did not understand the requirements of the current GPO Instruction. The quality and format of Internal control reviews varied greatly among the various

departments, services and offices, and reflected the need for a standardized and structured approach for conducting the reviews as required by the GPO Instruction.

In January 1999 KPMG issued a Notification of Finding and Recommendation concerning GPO=s internal controls. KPMG recommended that GPO review its internal control policy program for relevance and provide formal training in conducting vulnerability assessments and internal control reviews. On January 11, 2000, KPMG again issued a Notification of Finding and Recommendation concerning GPO=s internal controls. KPMG noted that its previous recommendations have not been fully addressed or implemented, and repeated those recommendations for the FY 1999 financial statement audit. KPMG also made a new recommendation that GPO adopt the new GAO internal control standards and incorporate them in GPO Instruction 825.18A.

The Inspector General concluded that the 1997 GPO Instruction on Internal Controls still had not been fully implemented. In the annual compliance letter for FY 1999, dated February 2, 2000, the Inspector General again recommended that the Public Printer:

1. Adopt a standardized and structured approach to conducting vulnerability assessments and internal control reviews, as required by paragraph 9(c) of GPO Instruction 825.18A ; and,
2. Provide formal training for Department, Office, Service, and Staff heads for developing and monitoring internal controls.

In addition, because no action had been taken on the recommendations of the previous compliance letter, the Inspector General further recommended that:

3. The responsibility for implementing the Internal Control Instruction be assigned to the Director, Office of Planning, who is familiar with internal control requirements and methodology, and who drafted Instruction 825.18A when he was Acting Inspector General. The Director, Office of Planning, should be tasked with implementing the Instruction, including accomplishing Recommendation number 1, above. He should also evaluate the need for formal training as set forth in Recommendation number 2, above, and address and implement the recommendations of KPMG concerning GPO=s internal controls.

By the end of the reporting period, no action had been taken to implement these Inspector General's recommendations.

D. Work-In-Process

The OA has undertaken the following 10 audits:

1. **Audit of the Processing of Customer's Requisitions** - on the processing of customer's requisitions. Additional fieldwork has been conducted for a conference to discuss the findings with management.
2. **Audit on the May 1998 Electronic Systems Development Division's Internal Control Review** – on improving future internal control reviews prepared on the Electronic Systems Development Division. The final draft report has been distributed to management for formal comments.
3. **Audit on the Recording of Depreciation on Accountable Equipment for Cost Code 4700** – on improving the recording of depreciation on current and future accountable property. The final draft report has been distributed to management for formal comments.
4. **Audit of the St. Louis Printing Procurement Office** – on improving the internal controls and complying with printing regulations at the St. Louis Regional Printing Procurement Office. Audit fieldwork has been completed and the draft audit report is being prepared for an exit conference with management.
5. **Audit on the Billings and Payments for Direct-Deal Program 3402-S** – on improving the monitoring of billings and payments for direct deal Program 3402-S. Audit fieldwork has been completed and the draft audit report is being prepared for an exit conference with management.
6. **Audit of GPO's Garage Operations** – on improving the controls in performing preventive maintenance and repairs to GPO vehicles. Audit fieldwork has been completed and the draft audit report is being prepared for an exit conference with management.
7. **Audit of On-Line Purchase Requests of Nonstock Items and Services through Materials Management Procurement and Controls System** – on improving the controls over on-line purchase requests of nonstock items and services. Additional audit fieldwork is needed and a draft audit report has been prepared for an exit conference with management.
8. **Audit of the Paper and Specialized Procurement and Sales Division's Internal Control Reviews** – on improving future internal control reviews prepared by the Paper and Specialized Procurement and Sales Division. Audit fieldwork has been completed and the draft audit report is being prepared for an exit conference with management.
9. **Audit of GPO's Travel and Reimbursement Program** – on improving the controls, procedures, and accountability over travel claims and reimbursement. Audit fieldwork is continuing.

10. Audit of a Contractor's Settlement Proposal – on evaluating whether the contractor's amounts proposed were allowable, reasonable, and allocable under the Printing Procurement Department's contract. Audit fieldwork has been completed on the first of two parts of the contractor's settlement proposal and a draft audit report is being prepared for management. Audit fieldwork has begun on the second part of the contractor's proposal.

E. Advice and Assistance

During this reporting period, the OA provided substantial advice and assistance to GPO officials, other Federal audit organizations, and Congressional staff. A brief description of each of these activities follows.

(1) GPO Internal Control Program

The OA monitors the progress of GPO's efforts to implement and maintain an Internal Control Program under GPO Instruction 825.18A titled *Internal Control Program*. The OIG assessed all Internal Control Reviews conducted in Fiscal Year 1999 and consolidated in an annual letter of compliance to the Public Printer on February 2, 2000, as required by the Instruction.

During this reporting period, the OIG also provided advice and assistance to several GPO managers with respect to implementing effective internal control programs.

(2) Computer Systems - Year 2000 Problem

The General Accounting Office continued its assessment of the GPO and the overall Legislative Branch preparedness for the Year 2000. The OIG facilitated that effort and provided advisory and assistance services to GPO management as needed. GPO's efforts to prepare for Y2K were successful, and GPO experienced no significant disruptions in any computer systems as a result of any Y2K problems.

(3) Financial Statement Audit

The OA is providing support for ongoing audits of the GPO's financial statement. Under 44 U.S.C. 309, an annual financial statement audit has been required beginning with GPO's FY 1997 financial statement. The audits are being conducted by KPMG LLP under a contract for which the Assistant Inspector General for Audits is the Contracting Officer's Technical Representative (COTR). In addition to serving as COTR, the OIG provided office space, administrative support, and coordination with GPO management for the KPMG auditors.

The FY 1999 audit report resulted in the opinion that: (1) "The GPO's consolidated financial statements as of and for the year ended September 30, 1999, are presented fairly, in all material respects, in conformity with generally accepted accounting

principles, and (2) GPO management has fairly stated, in all material aspects, its assertions that internal controls in place as of September 30, 1999, provide reasonable assurance that assets were safeguarded against loss from unauthorized acquisition, use, or disposition; that controls were effective in assuring that transactions were executed in accordance with laws governing the use of budget authority and with other laws and regulations that have a direct and material effect on the financial statements; and, that transactions were properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability for assets.”

The KPMG auditors also concluded that deficiencies in the design and/or operation of GPO’s EDP general controls continue to be a reportable condition. This condition had previously been reported in financial statement audit reports.

(4) Reimbursable Mailings Program for Laurel Operations

The OA took the lead role with management officials in identifying long-term practices and procedures in providing storage and distribution of publications for Government agencies on a reimbursable basis. A report on Reimbursable Mailing Program was issued on February 23, 2000, making six recommendations that would improve the operations of the Program.

(5) United States Postal Service’s Postage Billings

In response to the Public Printer’s request, the OA reviewed the accuracy of the \$4.55 million billing adjustment from the U.S. Postal Service in Fiscal Year 1998 and to recommend improving controls over the managing of future postage billings. A report has been prepared for issuance in the next reporting period.

(6) Security of Transporting Passports by the Carrier, Federal Express

In response to a Congressional request, a report on the security maintained on transporting passports by a private carrier has been prepared for issuance in the next reporting period.

(7) Demographics of GPO’s Bookstores’ Customers

In response to a Congressional request, a report on consumer markets from customers of GPO’s bookstores has been prepared for issuance in the next reporting period.

(8) Allocation of Revenue and Expenses within GPO

In response to a Congressional request, a report on the allocation of revenue and expenses within GPO has been prepared for issuance in the next reporting period.

(9) Controls over the Lock Box at the Mellon Bank

In response to a request by the Deputy Public Printer, the OA has initiated a review of controls over the Lock Box at the Mellon Bank in Pittsburgh, Pa. Once fieldwork has been completed, a report will be prepared for issuance in the next reporting period.

F. Outstanding Audit Recommendations

GPO management officials have not completely implemented all of the significant recommendations contained in two audit reports issued during prior semiannual reporting periods. A synopsis of our audit findings and recommendations, along with management's action(s) to implement the outstanding recommendations follows.

(1) REPORT ON THE INTERNAL CONTROLS ADMINISTRATIVE SERVICES GROUP AND PROTECTIVE SERVICES GROUP HAVE OVER GPO'S PAY PARKING PROGRAM (Report Number 98-13, Issued September 30, 1998)

FINDING

Permanent parking members of the Program pay \$2 a day to park. However, nonmembers and visitors did not pay to park using over 10,000 temporary parking permits (daily, weekly, monthly, and annual basis) issued in Fiscal Year 1997. Had these nonmembers and visitors paid the once consider charge of \$3 a day, the Program would have recovered an estimated \$65,000 in Fiscal Year 1997.

In addition, GPO's parking fee policy was inconsistent in the Washington, D.C. area. The Printing Procurement Department pays \$24,632 annually to provide 31 parking spaces free to GPO's Rapid Response Center employees and visitors at the Navy Yard. However, at Headquarters, GPO employees pay \$520 to park annually to offset the lease costs of GPO's parking lots.

RECOMMENDATIONS

The Chief, Administrative Services Group, should:

- Develop and implement a written policy for the method of collecting parking fees for temporary parking permits of nonmembers of the Program and employees belonging to carpools and vanpools of members in the Program (9813-01);
- Charge nonmembers of the Program a daily parking rate to recover costs for issuing temporary parking permits and maintaining parking spaces (9813-02);
- Collect parking fees from Rapid Response Center employees to offset all or some of the annual costs of \$24,632 for 31 parking spaces that are rented from General Services Administration (9813-27);

- Develop and implement procedures to: (1) subtract payroll parking deductions from Rapid Response Center employees, (2) record the receipts to the General Ledger and the Revolving Fund account, and (3) credit the revenue to the Printing Procurement Department's cost center, (9813-28); and
- Consider collecting parking fees from all GPO employees employed outside of Washington, D.C. to offset all or some of the annual costs that GPO pays for rented parking spaces (9813-29).

MANAGEMENT ACTION

On March 30, 2000, the Director, Office of Administrative Support, responded to Recommendation Numbers 9813-01 and 9813-02:

“Due to insufficient staffing and other projects that have taken precedence over this initiative, it is still not possible to assign an analyst the task of `redeveloping' a policy for collecting parking fees for temporary parking permits that was unacceptable to the Joint Council of Unions several years ago. This project will be assigned to an analyst when the workload permits.”

For Recommendation Numbers 9813-27, 9813-28, and 9813-29, the Director replied:

“Due to insufficient staffing and other projects that have precedence over these recommendations, we have not assigned an analyst to this project. Assignment will be made when feasible.”

(2) REPORT ON THE MANAGEMENT CONTROL PROGRAM WITHIN THE OFFICE OF INFORMATION RESOURCES MANAGEMENT (OIRM) (Report Number 99-09)

FINDING

OIRM's internal control self-assessment program is incomplete, because OIRM lacked an integrated framework of generally accepted information technology control objectives for guidance in implementing its internal control program.

OIRM did not completely identify and self-assess its control objectives, because it lacked such a framework. OIRM lacked an up-to-date, detailed definition and explanation of applicable internal control objectives and techniques, as well as detailed guidance and support for assessing them. They also lacked the human resources for which OIRM should be responsible.

The use of CobiT, or a similar comprehensive framework, can assist OIRM, as well as GPO in further developing and maintaining an effective system of control over information and its related technology.

RECOMMENDATIONS

The Director, OIRM should:

- Adopt a comprehensive control framework for conducting internal control assessments of information technology such as is delineated in the second edition of “CobiT: Control Objectives For Information Technology and Related Technology,” or a similar accepted framework (9909-01); and
- Update the “OIRM Management Control Review Guide” and perform internal control assessments of the information systems controls delineated herein that have not yet been evaluated (9813-02).

MANAGEMENT ACTION

On March 23, 2000, the Director, Office of Information Resources Management, responded to Recommendation Numbers 9909-01 and 9909-02:

“This deals with internal controls and references the CobiT standards. No further progress has been made in drafting a comprehensive control framework, assessing, testing, or performing internal control reviews due to Y2K and the lack of staff positions to effect this kind of stringent oversight. A formal request will be made for additional staffing to assist OIRM with this initiative.”

(3) FINANCIAL STATEMENT AUDIT

The accounting firm of Arthur Anderson LLP conducted an audit of GPO’s FY 1995 financial statement. In the report of that audit, Arthur Anderson made comments and suggestions for consideration by GPO management. The follow-up on GPO’s subsequent actions was conducted as part of the KPMG LLP audit of GPO’s FY 1997 financial statements. The follow-up of the recommendations of the FY 1997 financial statements audit will be part of the FY 1998 financial statement audit now in progress.

OTHER INSPECTOR GENERAL ACTIVITIES

A. Comments on GPO Instructions and Assistance to Management

The Inspector General continued to work with three other GPO offices as a member of a screening committee to review sexual harassment allegations and to coordinate the agency’s response, including determining what, if any, immediate action needs to be taken to minimize the harm and to protect the complainant, witnesses, and evidence. During this reporting period there was one meeting of the screening committee to consider a new allegation of sexual harassment.

The Inspector General commented on a draft GPO instruction setting forth policy on the use of e-mail and the internet. The Inspector General also commented on a proposed new master labor-management agreement submitted by the joint council of unions to replace the agreement that has been in place since 1988. The Inspector General and his two Assistant Inspectors General participated the GPO-3 training program for new managers.

The Inspector General participated in the GPO Y2K Response Team in monitoring Y2K-related system and utility problems on the weekend starting December 31, 1999. Due to extensive efforts and planning by the Year 2000 Program Management Office of the GPO Policy Coordination Staff, as well as the remediation of mission critical systems at GPO performed throughout the year by GPO management and employees, the rollover to the new millennium was accomplished successfully and without significant disruption.

The Inspector General continued to participate in activities of the ECIE, including attending monthly meetings, and attending the joint PCIE/ECIE annual conference at the Library of Congress Jefferson Building in Washington, DC. The Inspector General assisted another Inspector General in reviewing issues related to the investigations process, and arranged for the Inspector General of the Library of Congress to conduct a required peer review of the GPO audit operation in FY 2000.

B. Legislation and Congressional Requests

The Inspector General, working with the appropriate GPO managers, prepared a response to a request from the Chairman of the Results Caucus of the U.S. House of Representatives for information on the status of the GPO website.

At the request of a U.S. Congressman, the Inspector General met with members of the Congressman's staff and representatives of a private bid service involved in GPO's printing procurement process. The bid service asked the Inspector General to investigate the activities of a competing bid service, however the Inspector General determined that there was an insufficient nexus between the alleged illegal practices by the bid services and the programs and operations of GPO to warrant an investigation by the OIG.

The Inspector General and the Assistant Inspector General for Audits responded to a request from the staff of the Joint Committee on Printing to comment on several aspects of GPO's FY 2001 appropriations request.

The Inspector General responded to a request from the Chairman of the Committee on the Budget, U.S. House of Representatives, regarding a complaint involving the GPO Atlanta Bookstore.

Because Public Law 104-316, the General Accounting Office Act of 1996, provides that the GPO Inspector General conducts audits under the direction of the Joint Committee on Printing, the Inspector General solicited input from the JCP on audit topics. By letter of January 12, 2000, the Chairman and Vice Chairman of the Committee requested that the OIG assess the delivery

process for blank passports printed at GPO and the security of that process. The OIG was also asked to undertake audit activity relating to the GPO Bookstore Program.

As a result, the Inspector General, with assistance from the audit staff, undertook three reviews to respond to the Congressional request. A report concerning the GPO Bookstore program was forwarded to the JCP on February 29, 2000, and a report on the delivery of blank passports will be forwarded to the JCP by the end of April, 2000, along with another report on the GPO Bookstore Program. The Inspector General anticipates that the OIG will continue to respond to audit requests from the JCP as directed by Public Law 104-316.

The Inspector General also joined with Inspectors General in the Designated Federal Entities, in commenting on several Congressional bills regarding Inspector General activities and draft legislation amending the Inspector General Act.

A. Statistical Table on Audit Reports with Questioned Costs

Description	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	1	\$ 0	\$ 13,772
B. Which were issued during the reporting period	1	\$ 0	\$ 0
C. Subtotals (A+B)	0	\$ 0	\$ 13,772
D. For which a management decision was made during the reporting period	0		
1. Dollar value of disallowed costs		\$ 0	\$ 0
2. Dollar value of allowed costs		\$ 0	\$ 0
E. For which no management decision has been made by the end of the reporting period	1	\$ 0	\$ 13,772
F. Reports for which no management decision has been made within six months of issuance	0	\$ 0	\$ 0

**B. Statistical Table on Audit Reports with Recommendations
Involving Funds Put to Better Use**

Description	Number of Reports	Funds Put To Better Use
A. For which no management decision has been made by the commencement of the reporting period	0	\$ 0
B. Which were issued during the reporting period	3	\$ 4,740,705
Subtotals (A+B)	0	\$ 4,740,705
C. For which a management decision was made during the reporting period	1	\$ 4,065,500
1. Dollar value of recommendations that were agreed to by management	1	\$ 4,065,500
2. Dollar value of recommendations that were not agreed to by management	0	\$ 0
D. For which no management decision has been made by the end of the reporting period	2	\$ 675,205
E. Report for which no management decision has been made within six months of issuance	2	\$ 675,205

C. List of Audit Reports Issued During This Reporting Period

A. Contract Audit Reports: <i>None Issued</i>	Questioned Costs	Unsupported Costs
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B. Other Audit Reports:	Funds Put to Better Use
1. Report on the Follow-up of GPO's Warehouse Space (Report No. 96-08) (Report Number 00-01, Issued 11/10/99)	\$ 4,065,500 ¹
2. Report on Strengthening the Controls over GPO's Property Management Program (Report Number 00-02, Issued 02/17/00)	\$ 0
3. Report on Maintaining Documentation on the Receipt of Finished Inks, Raw Materials, and Adhesives (Report Number 00-03, Issued 03/09/00)	\$ 0
4. Report on Improving the Controls over EEO Contract Investigations (Report Number 00-04, Issued 03/30/00)	\$ 205
5. Report on Improving the Controls over Inventories in the Graphic Supplies Section (Report Number 00-05, Issued 04/03/00)	\$ 675,000 ²
Total	\$ 4,740,705

¹ The OA projects this amount over a 5-year lease.

² The OA projects this amount over a 3-year purchase.

D. Index of Reporting Requirements

The specific reporting requirements of the Inspector General Act of 1978, as amended in 1988, are listed below with references to the pages on which they are addressed.

IG Act Section	Description	Report Page(s)
4(a)(2)	Review of legislation and regulations	27-29
5(a)(1)	Significant problems, abuses, and deficiencies	9-11
5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	9-11
5(a)(3)	Significant recommendations included in previous reports on which corrective action has not been completed	None
5(a)(4)	Matters referred to prosecutive authorities	8-9
5(a)(5)	Summary of instances where information was refused	None
5(a)(6)	List of audit reports	33
5(a)(7)	Summary of significant reports	16-19
5(a)(8)	Statistical table with questioned costs	31
5(a)(9)	Statistical table with recommendations that funds be put to better use	32
5(a)(10)	Summary of audit reports issued before the commencement of the reporting period for which no management decision has been made	None
5(a)(11)	Significant revised management decisions made during the reporting period	None
5(a)(12)	Management decisions with which the Inspector General is in disagreement	18